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HOUSE BILL NO. 1176

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Commerce and Labor
on January 28, 2014)

(Patron Prior to Substitute—Delegate Ware)

A *BILL to amend and reenact § 38.2-3407.14 of the Code of Virginia, relating to health insurance; notice of increase in premium or deductible.*

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-3407.14 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-3407.14. Notice of premium or deductible increases.

A. Each (i) insurer issuing individual or group accident and sickness insurance policies providing hospital, medical and surgical or major medical coverage on an expense-incurred basis, (ii) corporation providing individual or group accident and sickness subscription contracts, and (iii) health maintenance organization providing a health care plan for health care services, shall provide in conjunction with the proposed renewal of coverage under any such policies, contracts or plans, prior written notice of intent to increase by more than 35 percent the annual premium charged for coverage thereunder.

B. *Beginning with policy, contract or plan year renewals beginning on or after January 1, 2015, in lieu of the notice required for individual health insurance policies, contracts or plans described in subsection A, each (i) insurer issuing individual or group accident and sickness insurance policies providing hospital, medical and surgical or major medical coverage on an expense-incurred basis, (ii) corporation providing individual or group accident and sickness subscription contracts, and (iii) health maintenance organization providing a health care plan for health care services, shall provide in conjunction with the proposed renewal of coverage under any individual health insurance policy, contract, or plan prior written notice of intent to increase the annual premium charge for coverage or any deductible required thereunder. As used in this section, "deductible" means the annual dollar amount of covered items or services that the insured, subscriber, or enrollee is obligated to pay before benefits are payable under the policy, contract, or plan.*

C. Notice required by this section shall be provided in writing at least 60 days prior to the proposed renewal of coverage under any such policy, contract, or plan *described in subsection A and at least 75 days prior to the proposed renewal of coverage under any policy, contract, or plan described in subsection B. In either case notice shall be provided to the policyholder, contract holder or subscriber, or to the designated consultant or other agent of the group policyholder, contract holder, or subscriber if requested in writing by the group policyholder, contract holder, or subscriber, as appropriate.*

D. *The deadlines specified in subsection C for the provision of notices may be adjusted by the Commission's Bureau of Insurance to account for delays in product or rate approval by the Bureau of Insurance that result from filing requirements established by the U.S. Department of Health and Human Services.*

HOUSE SUBSTITUTE

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